

**EAST LAKE TARPON SPECIAL  
FIRE CONTROL DISTRICT PENSION BOARD QUARTERLY MEETING  
January 20, 2021 via Zoom**

**Roll Call:** The Administrator called the meeting of the Board of Trustees of the East Lake Fire Rescue Pension Plan to order at 7:30 a.m. on January 20, 2021.

**Trustees Present:** Chairman Doug Stryjewski, Mike Porch, Michael Handoga, Scott Papes and Sharon Bonnem

**Others Present:**

Attorney Stu Kaufman of Klausner, Kaufman ETAL, John Thinnes of AndCo Consulting, Greg Peters of Dana Investments, Fire Members Jeff Jackson and Kevin Kenney, Jeanine Bittinger of Saltmarsh, Cleaveland & Gund, CPA's Patrick Donlan and Christine O'Neal of Foster and Foster, Livia Giuliani and Pete Prior of Benefits USA, Inc.

**Approval of Minutes**

**October 21, 2020 Quarterly Meeting**

Chairman Stryjewski asked if there were any changes or corrections to the minutes. Hearing and seeing none, the Chairman said he would entertain a motion. Trustee Handoga moved to approve the minutes as submitted. Trustee Papes seconded the motion and the motion passed.

**Public Comments:**

Trustee Porch opened the meeting by stating that this would be his last meeting and would be resigning from the Board. He noted that he enjoyed serving but he feels it is time to move on to other ventures. That being said, it was noted that an Employee election will need to be held prior to the next meeting.

Mr. Jeff Jackson was present to speak on behalf of the membership noting that the current benefit multiplier is 3% and asked the Board to support and actuarial study to increase the multiplier to 4% and increase member contributions from 5% to 7% effective April 1, 2021. Membership would agree that the District could use all State money to offset the required contribution and that no more monies would be going into the Share plan. The amount received in 2020 was \$336,065. Trustee Handoga moved to authorize Foster and Foster to prepare the study at the cost of the Pension Fund and Trustee Papes seconded the motion and the motion passed.

**New Business:**

**Presentation of 9/30/2020 Financial Statements**

Ms. Bittinger addressed the board noting that they have audited the financial statements for the Fund which comprise the statement of fiduciary net position as of September 30, 2020 in accordance with the auditing standards generally accepted in the United States of America. Those standards require that they plan and perform the audit with assurance that the financial statements are free from misstatement. Mr. Cristini gave a clean opinion that the financial statements were presented fairly in all material respects.

Ms. Bittinger reported that the total receivables for the fiscal year ending September 30, 2020 were \$10,056 vs. \$26,565 from 2019; the prepaid expenses totaled \$1,360, the same as 2019. The Assets increased from \$17,847,026 to \$19,331,776; liabilities decreased from \$75,009 to \$19,846; contributions increased from \$676,914 to \$842,284 and State revenue increased to \$336,065 from \$322,935 in 2019. Net investment income increased to \$1,589,724 from \$625,327; benefit payments increased from \$881,524 to \$1,228,160 due to more members retiring from the Plan; and Administrative Expenses increased from \$71,170 to \$103,690. The net amount restricted for pension was \$19,311,930 which was an increase from \$17,772,017 in 2019.

Ms. Bittinger reported that as of September 30, 2019 the Plan's membership consisted of 17 retirees and beneficiaries currently receiving benefits; 2 DROP participants and 9 vested terminated employees. The current active membership is 38 and consists of 17 vested members and 21 non vested members.

Finally, Ms. Bittinger noted the Plan's Funded ratio increased from 81.10% to 84.85%. After the presentation, the Chairman stated that if there were no questions or comments, he would entertain a motion to approve the Financial Statements. Trustee Papes moved to approve the September 30, 2020 Financial Statements as presented and Trustee Papes seconded the motion and the motion passed.

#### **Presentation of 10/1/20 Actuarial Valuation**

Mr. Donlan reported that the required contributions from the combination of District and State sources for the year ending 9/30/2022 as a percentage of payroll is 30.9%. As a budgeting tool, the district may contribute 21.3% of each members' salary and then make a one-time adjustment for the actual state monies received. Mr. Donlan state that the Plan experience overall was unfavorable based on the plan's actuarial assumptions. This loss was determined based on more retirements than expected; less turnover than expected and the disability of one active member. The loss was offset partially by gains associated with the investment return of 8.70% which exceeded the 7.65% Plan assumption and an average salary increase of 4.82% which fell short of the 5.17% assumption. Mr. Donlan noted that the Plan's Investment assumption return was lowered from 7.65% to 7.50%. The impact of the change includes increased contribution from 20.7% to 21.3%.

Mr. Donlan reported on the participant data noting that there are currently 35 active members in the plan, 17 service retirees, 3 DROP retirees, 3 disability retirees, 1 beneficiary and 8 vested terminated members. The total Actuarial Accrued Liability was \$23,152,923, an increase from 2019 of \$21,843,609. The Unfunded Actuarial Accrued Liability decreased from \$4,248,561 to \$3,822,507 and the Funded Ratio increased from 80.6% to 83.5%. Mr. Donlan reported that there were no plan or assumption changes for this valuation period; however, based on the 2015 mandate the mortality tables were changed to the tables being used by the FRS effective 7/1/19. That being said, the Chairman stated that if there were no questions, he would entertain a motion to approve the valuation. Trustee Handoga moved to approve the valuation as presented and Trustee Papes seconded the motion and the motion passed.

Attorney Kaufman noted that a second motion is in order to accept the assumed rate of return. Mr. Thinner noted that the current assumption was 7.50%. Trustee Handoga moved to approve the assumed rate of return of 7.50% for the current year, the next several years and for the long term thereafter and Trustee Bonnem seconded the motion and the motion passed.

#### **Detail of Administrative Expenses**

The Administrator noted that the expenses for the fiscal year 9/30/2020 totaled \$131,065. She noted that this was just informational and that no action was needed.

#### **Fiduciary Liability Insurance Renewal**

The Administrator reported that the Chairman previously signed the application to obtain a quote and that a motion was needed to ratify his signature. That being said, Trustee Papes moved to ratify the Chairman's signature and Trustee Bonnem seconded, the motion. The motion passed.

#### **Unfinished Business:**

There was no unfinished business discussed.

### **Foster and Foster website presentation**

Ms. O'Neal gave a brief presentation of some of the functions that this website tool can do. She noted that the members can prepare estimated calculations for themselves to get an idea of what they would receive at the time of their retirement. It was noted that this item should be placed on the next agenda for further discussion.

### **Consent Agenda:**

#### **For Ratification: Warrants #191-193**

Benefits USA, Inc. (Flat Monthly Fee for November 2020-Invoice #10-2020)	\$1,600.00
KKJ&L (Legal Fees-Bill #27206 dated 10/31/2020)	\$1,679.00
Saltmarsh Cleveland & Gund (9/30/20 Audit fees-Inv #700098 dated 10/30/2020)	\$5,200.00
<b>Total</b>	<b>\$8,479.00</b>
Benefits USA, Inc. (Flat Monthly Fee for December 2020-Invoice #12-2020)	\$1,600.00
FPPTA (2021 Annual Membership Dues)	\$620.00
FPPTA (Re-Certification Fee for Sharon Bonnem)	\$31.00
<b>Total</b>	<b>\$2,251.00</b>
AndCo (Q4-2020 Consulting Fee-Invoice #36883 dated 12/31/2020)	\$5,000.00
Benefits USA, Inc. (Flat Monthly Fee for January 2021)	\$1,600.00
Dana Inv Advisors (Q4-2020 Mgmt Fee-LC Inv #79842 dated 1/8/2021)	\$11,914.68
Dana Inv Advisors (Q4-2020 Mgmt Fee-FI Inv #79826 dated 1/8/2021)	\$1,941.10
Foster & Foster (Services Rendered; Invoice #18786 dated 1/8/2021)	\$12,822.00
KKJ&L (Legal Fees-(Bill #27671 dated 12/31/2020)	\$839.80
<b>Total</b>	<b>\$34,117.58</b>

Trustee Handoga moved to approve the Consent Agenda as presented and Trustee Porch seconded the motion and it passed.

### **Investment Report: Quarter Ending 12/31/2020**

#### **AndCo Consulting**

Mr. Thinnes gave a brief report on the fund performance noting that the total fund return for the quarter was 11.04% vs. the fund policy of 9.45%. The equity fund returned 17.11% vs the equity policy of 15.28%. The domestic equity returned 16.31% vs. the domestic equity policy of 14.68. Dana Core equity returned 11.32% vs. the S&P 500 of 12.15%. Vanguard returned 27.43% vs. the S&P completion index of 27.40%. American Funds Euro Pacific returned 19.95% vs. the MSCI AC World ex USA of 17.08%. The fixed income fund returned 0.93% vs. the policy of 1.11%. Dana fixed income returned 0.40% vs the policy of 0.42%. Dodge & Cox returned 2.48% vs. the Blmbg. Barc. U.S. Aggregate Index of 0.67%. Intercontinental returned 0.48% vs. the NCREIF Fund Index of 0.00%

Mr. Thinnes reported on the Market Value at 10/1/2020 was \$19,330,419; the contributions were \$211,220; the distributions were \$254,497 the management fees were -\$11,933; the other expenses were -\$20,103; the income was \$104,200; the appreciation was \$2,030,222 and the ending Market Value at 12/31/2020 was \$21,389,528. Mr. Thinnes reported on the Compliance checklist noting that it was mostly yes with the exception of the 3- and 5-year periods for the fixed income. Finally, Mr. Thinnes noted that he would update the Investment Policy statement for the next meeting.

#### **Dana Investments**

Mr. Peters reported that the Corporate Bond sector continued to outperform the government sector despite through the end of the year despite the weak 1<sup>st</sup> quarter. Both the 5- and 10-year treasuries rose gradually during the quarter. Equity Markets rallied during the 4<sup>th</sup> quarter. Russell Value outperformed the Russel Growth by almost 5%. The S&P had a strong return of 12.15% for the quarter. Both developed and foreign markets had double digit returns.

Mr. Peters reported on the performance noting that the Equity Fund return for the quarter was 11.31% and 13.35% for the year-to-date period vs. the S&P 500 of 12.15% and 18.40% respectively. For the 3- and 5-year periods the equities returned 12.22% and 14.23% vs. the S&P 500 of 14.18% and 15.22% respectively and since inception the equity fund returned 11.03% vs. 10.48% respectively. The fixed income fund returned 0.37% and 5.41% for the quarter and year to date vs. the Barclay's Aggregate index of 0.42% and 5.60% respectively. For the 3- and 5-year periods the fixed income fund returned 4.21% and 3.37% vs. the Barclays' Aggregate index of 4.37% and 3.46% respectively and since inception the fixed income returned 4.00% vs. 3.91%. Mr. Peters had nothing further to report and thanked the Board for allowing him to present via telephone.

**Miscellaneous Correspondence**

No Action Required

**REPORTS:**

**Attorney:**

Mr. Kaufman reported on the E-Verify system noting that effective January 1, 2021 all Public Employers including the Pension Fund must enroll in the E-Verify system that ensures that all new hires are eligible to work in the US.

Mr. Kaufman also reported on the Disability Resolution noting that it was just a clean up version and that the Board had already adopted and that he can prepare a clean copy to be sent to the District for adoption.

**Administrator:**

The Administrator had nothing further to report.

**TMI/Salem:**

Ms. Lynn Skinner was in attendance and noted that she was happy to be back. Ms. Skinner reminded the board that the retirees would be receiving two 1099R's this year and a note has been sent since July reminding them the retirees.

She also mentioned that she will need a new rebalancing letter since there had been some changes to the portfolio. That being said, Mr. Thinnes said he would work on that and send it to the Administrator for signature.

Finally, Ms. Skinner said that she wanted to be sure that Salem Trust was meeting the boards service expectations.

**Trustees:**

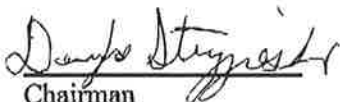
The Trustees had nothing further to report.

**NEXT MEETING:**

The Administrator reported that the next meeting is April 21, 2021 @ 7:30am

**ADJOURNMENT:**

Trustee Papes moved to adjourn and Trustee Bonnem seconded the motion. The meeting was adjourned at 9:21 a.m.

  
Chairman

4/30/2021  
Date